

## Written evidence submitted by Kathleen Smith

### Re: Annual submitters of PAYE RTI excluded from JRS

#### (Reason for submitting evidence)

I am sure you have been inundated with evidence and communications regarding the above as I know there are millions of us out there, but need to put my personal point across as I have no other support available to me apart from a BBL which has to be repaid.

I have made several attempts to apply for the JRS, so far without success.....

I am a director of a small limited company on an approved annual payroll scheme which was filed with HMRC on 31<sup>st</sup> March 2020. My declared salary was **£8628**. I have been the director for over 20 years, have paid all the taxes associated with running a limited company on time and in full. In other words, a perfect record.... I now would like a little bit of help and can't due to a technicality with a date!

My understanding is that HMRC will not allow any filings after 19<sup>th</sup> March 2020, even though this deadline was not imposed until **April 2020 (15<sup>th</sup> to be exact)**. Had I put my claim in on the 19<sup>th</sup> however, I would have been able to receive some help, albeit only about £500/month as dividends are not eligible either, but that is a different story...

HMRC's stance that this policy was to prevent fraud is completely understandable, however in my case I AM able to inform HMRC (as a few well-meaning HMRC advisors have mentioned) that as I have filed RTI submissions for similar sums for the last 20 years, (some annually and some monthly) then they should be able to agree the claim. At the moment however, the internal systems do not allow for this.

It can therefore be agreed that there is no evidence of fraud in this instance as all I have done is follow what has been filed in previous years. I would therefore ask you to consider my position and to allow the claim for JRS to proceed. I am suffering financial hardship because of this decision which is completely arbitrary and unfair.

#### Government plugging gaps in the schemes

What is even more absurd, unfair and upsetting is that people who are in the same position as me (i.e. no RTI submission for tax year 2019/2020), filed their last tax year (18/19) annual RTI **late** i.e. in the tax year 2019/2020, and have thereby qualified for the furlough payment as there is evidence of an RTI submission.

There are also hundreds (and rising) of incidences where Directors of Ltd Companies (or their Accountants in some instances) have been managing to get through to various technicians within the HMRC and have had their furlough payments approved manually. It is obvious that the Revenue are not consistent and depending on whether you receive some legitimate funds to help, rests entirely with whom you speak !!!!!?????

#### What Can Be Done to help me and millions of others?

Is there a way the Treasury and HMRC can organise an appeal process with dedicated phone-line (as claimants of SEISS have) so that any Ltd director legitimately in their job on March 19<sup>th</sup> can prove their eligibility through previous years PAYE submissions plus any other accounts documentation required by HMRC.

Also, with this guidance in place, HMRC officers would be able to retroactively place us in the JRS without the need for any change in the actual legislation (as we were “in our jobs” on March 19<sup>th</sup>)

### **Problems facing SEISS and comparisons with Ltd Company**

I would also like to draw attention to a post I read recently on our FB page which I am sure is one of thousands of incidents out there:

“Freelance designer and so are a few of my friends. Only difference is:

some are set up as limited companies (because that is what the recruitment agencies we work with demand, otherwise we would have to use an umbrella company and lose 30% of our income to them)

and some are set up as sole traders.

One individual, who is set up as a sole trader, has had a freelance job for the entire duration of lockdown up until last Friday when the contract was terminated. The individual logged onto HMRC government website recently, input the required info and immediately had access to £6200 even though received a constant steady income since March.

Whereas the Ltd Company synopsis is ....no work whatsoever (as furloughed means cannot work), are only entitled to a modest £500 of furlough salary and that is if the annual RTI submission went in early. How in the name of god is that anyway fair and more to the point, how can the self employed claim and work? This whole situation has made me feel I have been doing something wrong by paying part PAYE and part dividend!

I do think the Directors of Limited Companies are being treated extremely unfairly and being entirely excluded from any kind of assistance (apart from payback loans). To use the excuse of protecting fraudulent claims is laughable when there are clearly millions of fraudulent claims going on in other support packages.

I thank you for your time and look forward to hearing from you.

Kathleen Smith

Director, RASMAS Technology Ltd

*June 2020*